

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN**

In the Matter of:

**MCPHILLIPS FLYING SERVICE, INC.,
d/b/a Island Airways,**

Case No. BT 25-02011
Chapter 11- Subchapter V
Hon. James W. Boyd

Debtor.

_____ /

**NOTICE OF FILING OF FINANCIAL INFORMATION
AS REQUIRED BY 11 U.S.C. § 1187(a)**

NOW COMES the Debtor by and through its attorneys, Keller & Almassian, PLC, and files the attached financial information as required by 11 U.S.C. § 1187(a).

Dated: July 15, 2025

Respectfully Submitted,
KELLER & ALMASSIAN, PLC
Proposed Counsel for the Debtor

By: /s/ A. Todd Almassian
A. Todd Almassian (P55467)
Greg J. Ekdahl (P67768)
Sarah A. LaSata (P86415)
230 E. Fulton Street
Grand Rapids, MI 49503
(616) 364-2100
ecf@kalawgr.com

Island Airways

Profit & Loss

January through May 2025

	Jan 25	Feb 25	Mar 25	Apr 25	May 25	TOTAL
Ordinary Income/Expense						
Income						
100LL/Jet Fuel Sales	201.03	237.53	116.26	247.24	187.55	989.61
BI Fares						
Child Fare	376.00	800.00	940.00	940.00	2,303.00	5,359.00
Adult Fare	18,576.00	19,145.00	29,867.00	30,751.00	0.00	98,339.00
Adult	0.00	0.00	0.00	0.00	64,483.00	64,483.00
Adult One Way Ticket	144.00	2,674.50	666.00	1,681.00	71.00	5,236.50
Round Trip Special	0.00	720.00	1,860.00	0.00	0.00	2,580.00
Booklet of 10 Adult Tickets	1,540.00	2,160.00	36,190.00	16,220.00	14,970.00	71,080.00
Booklet of 10 Adult Tickets.	720.00	720.00	720.00	7,180.00	24,930.00	34,270.00
Booklet of 10 Child Tickets.	0.00	0.00	1,760.00	940.00	0.00	2,700.00
Senior Discount - Book of 10	0.00	670.00	31,200.00	19,520.00	9,230.00	60,620.00
Senior Rate	5,089.40	5,155.00	6,395.00	7,704.00	17,909.00	42,252.40
BI Fares - Other	518.00	740.00	1,110.00	851.00	2,923.00	6,142.00
Total BI Fares	26,963.40	32,784.50	110,708.00	85,787.00	136,819.00	393,061.90
Charter						
Charter - Islander***	18,629.00	6,062.00	0.00	3,800.00	4,238.00	32,729.00
Charter - Other	7,676.00	7,676.00	9,029.00	5,191.00	7,676.00	37,248.00
Total Charter	26,305.00	13,738.00	9,029.00	8,991.00	11,914.00	69,977.00
Clothing Sales**st**	0.00	68.40	55.00	90.75	187.81	401.96
Customer Write Off	-0.02	0.00	-0.01	-0.04	-0.04	-0.11
Fr. Sales						
Freight Sales+++						
Booklet of 10 Md/Lg Dog Tickets	330.00	370.00	3,460.00	2,490.00	1,980.00	8,630.00
Freight Sales+++ - Other	22,354.60	23,563.77	23,568.49	17,101.49	21,483.45	108,071.80
Total Freight Sales+++	22,684.60	23,933.77	27,028.49	19,591.49	23,463.45	116,701.80
Luggage, excess	2,106.30	2,895.10	2,615.95	3,085.65	4,200.29	14,903.29
United States Postal Service+++	5,859.00	3,689.00	6,510.00	4,991.00	5,208.00	26,257.00
UPS Freight Charges	224.77	377.49	119.00	209.20	366.90	1,297.36
UPS Freight Sales+++	16,121.90	11,629.82	10,860.92	13,710.77	18,678.76	71,002.17

Island Airways

Profit & Loss

January through May 2025

	Jan 25	Feb 25	Mar 25	Apr 25	May 25	TOTAL
Total Frt. Sales	46,996.57	42,525.18	47,134.36	41,588.11	51,917.40	230,161.62
Hangar Rental Income						
Hangar Rental Income - BI	0.00	0.00	0.00	0.00	2,500.00	2,500.00
Hangar Rental Income - Other	0.00	0.00	0.00	7,800.00	0.00	7,800.00
Total Hangar Rental Income	0.00	0.00	0.00	7,800.00	2,500.00	10,300.00
Miscellaneous Income.	403.78	32.48	758.03	6,657.00	1,473.26	9,324.55
Miscellaneous Merch. **st**	0.00	0.00	0.00	0.00	28.32	28.32
Oil Sales**st**	0.00	0.00	0.00	0.00	9.00	9.00
Outside Repair Sales	0.00	0.00	0.00	8,315.94	8,309.67	16,625.61
Parking Fee Sales	1,480.00	1,120.00	2,820.00	9,925.00	16,740.00	32,085.00
Postage/Stamps	19.75	15.65	0.00	0.00	0.00	35.40
Sales						
Merchandise	485.00	647.00	550.00	540.00	655.00	2,877.00
Service	-200.00	46.15	47.40	22.00	90.36	5.91
Total Sales	285.00	693.15	597.40	562.00	745.36	2,882.91
Uncategorized Income	7,776.39	19,286.16	1,653.70	7,778.00	0.00	36,494.25
Total Income	110,430.90	110,501.05	172,871.74	177,742.00	230,831.33	802,377.02
Cost of Goods Sold						
Parking	2,471.00	1,036.00	784.00	0.00	1,974.00	6,265.00
Cost of Fuel Used						
Flowage Fee - CVX	1,337.43	1,726.44	1,826.21	1,210.72	2,857.51	8,958.31
Cost of Fuel Used - Other	13,000.04	13,696.80	15,418.79	11,614.63	26,856.87	80,587.13
Total Cost of Fuel Used	14,337.47	15,423.24	17,245.00	12,825.35	29,714.38	89,545.44
Cost of Goods Sold	0.00	12.44	18.23	42.67	23.21	96.55
Cost of UPS sold	396.98	864.89	454.87	0.00	460.05	2,176.79
Excise Tax Expense	0.00	5,766.72	21,571.47	0.00	0.00	27,338.19
Merchandise for Resale	0.00	1,900.00	2,000.00	2,255.00	0.00	6,155.00
Parts for Resale	1,986.00	0.00	0.00	0.00	2,082.90	4,068.90
Sales/Use Tax	815.31	1,627.44	1,047.65	793.90	1,686.85	5,971.15
Total COGS	20,006.76	26,630.73	43,121.22	15,916.92	35,941.39	141,617.02
Gross Profit	90,424.14	83,870.32	129,750.52	161,825.08	194,889.94	660,760.00

Island Airways

Profit & Loss

January through May 2025

	Jan 25	Feb 25	Mar 25	Apr 25	May 25	TOTAL
Expense						
Accounting/Legal Expenses	150.20	175.00	0.00	0.00	500.00	825.20
Advertising	400.00	945.00	29.18	400.00	107.99	1,882.17
Aircraft Maintenance	0.00	2,624.81	3,460.12	0.00	0.00	6,084.93
Bank Charges	6.00	6.00	0.00	6.00	6.00	24.00
Credit Card Processing Fees	3,335.16	864.63	827.37	2,823.88	2,555.42	10,406.46
Damaged or Spoiled Goods	4.00	63.43	0.00	0.00	0.00	67.43
Dues/Subscriptions	1,298.82	137.94	677.54	1,334.89	573.33	4,022.52
Employee Training						
Pilot Training	0.00	49.95	0.00	0.00	0.00	49.95
Total Employee Training	0.00	49.95	0.00	0.00	0.00	49.95
Finance Charge Expense	10,827.50	1,318.78	1,791.74	2,181.94	2,197.19	18,317.15
Fuel/Charter	0.00	4,123.56	299.55	0.00	254.96	4,678.07
Hangar Rent						
Hangar Rent/BI	0.00	0.00	0.00	0.00	170.00	170.00
Hangar Rent/CVX	178.22	178.22	0.00	356.44	178.22	891.10
Total Hangar Rent	178.22	178.22	0.00	356.44	348.22	1,061.10
Insurance - General						
Liabilty & Aircraft	25,902.17	25,902.17	0.00	25,902.17	25,892.17	103,598.68
Worker's Comp.	1,644.75	616.79	0.00	616.79	-2,647.21	231.12
Insurance - General - Other	900.00	146.00	789.49	0.00	0.00	1,835.49
Total Insurance - General	28,446.92	26,664.96	789.49	26,518.96	23,244.96	105,665.29
Interest Expense - bank	0.00	5,773.11	0.00	2,474.33	2,427.32	10,674.76
Internet/Website Fees	3,772.54	1,429.97	1,734.98	1,429.97	509.98	8,877.44
Janitorial Services						
Cleaning BI	0.00	0.00	74.08	0.00	0.00	74.08
Cleaning Supplies	0.00	28.60	0.00	0.00	0.00	28.60
Total Janitorial Services	0.00	28.60	74.08	0.00	0.00	102.68
Laundry/Uniforms	36.00	0.00	0.00	0.00	0.00	36.00
Licenses/Permits	465.00	2,723.00	111.00	0.00	0.00	3,299.00
Maint.- Equipment						

Island Airways

Profit & Loss

January through May 2025

	Jan 25	Feb 25	Mar 25	Apr 25	May 25	TOTAL
Maint.- Equip/Beaver Island	22.45	412.27	341.41	1,123.57	0.00	1,899.70
Maint.- Equip/Charlevoix	62.99	0.00	38.82	0.00	197.77	299.58
Total Maint.- Equipment	85.44	412.27	380.23	1,123.57	197.77	2,199.28
Maint. - Building/Grounds						
Maint. BI	0.00	11.42	1,095.42	0.00	67.86	1,174.70
Total Maint. - Building/Grounds	0.00	11.42	1,095.42	0.00	67.86	1,174.70
Medical Expenses	0.00	94.95	0.00	0.00	94.95	189.90
Miscellaneous	0.00	205.35	0.00	0.00	0.00	205.35
Office Supplies						
Office Supplies/BI	1,000.00	0.00	0.00	2,500.00	52.96	3,552.96
Office Supplies/CVX	804.03	129.86	75.91	0.00	0.00	1,009.80
Office Supplies - Other	0.00	6,266.44	0.00	0.00	0.00	6,266.44
Total Office Supplies	1,804.03	6,396.30	75.91	2,500.00	52.96	10,829.20
Pay Out Expense	0.00	0.00	0.00	0.00	5.23	5.23
Payroll Expenses						
Employee Health Ins Benefits	781.40	560.50	1,002.30	781.40	781.40	3,907.00
Employer SIMPLE Contribution	1,093.02	1,094.08	1,212.39	1,151.86	1,756.92	6,308.27
FICA/Medicare	4,891.74	4,574.70	4,805.30	4,705.83	7,914.63	26,892.20
Salaries - Administrative	24,076.92	19,500.00	19,961.54	25,000.00	37,500.00	126,038.46
Salaries - General Office	10,227.05	9,159.99	9,767.09	9,024.22	16,917.24	55,095.59
Salaries - Maintenance	9,559.22	12,655.79	8,871.38	9,401.86	15,713.21	56,201.46
Salaries - Operations	0.00	0.00	0.00	55.89	0.00	55.89
Salaries - Operations/Line Crew	10,679.70	10,463.61	12,595.56	9,926.40	18,013.60	61,678.87
Salaries - Pilots	6,364.85	6,859.55	9,496.35	5,761.58	12,706.79	41,189.12
Unemployment	761.80	499.88	311.11	136.38	120.74	1,829.91
Vacation/Sick Pay	2,742.66	160.00	2,104.00	2,215.00	1,004.34	8,226.00
Wages	0.00	192.00	0.00	0.00	0.00	192.00
Payroll Expenses - Other	575.24	1,267.73	311.67	414.33	1,993.61	4,562.58
Total Payroll Expenses	71,753.60	66,987.83	70,438.69	68,574.75	114,422.48	392,177.35
Pilot Supplies	0.00	0.00	0.00	0.00	109.90	109.90
Postage & Freight	195.02	409.94	166.66	507.25	886.34	2,165.21

Island Airways
Profit & Loss

January through May 2025

	Jan 25	Feb 25	Mar 25	Apr 25	May 25	TOTAL
Property Taxes	0.00	0.00	7,815.51	0.00	0.00	7,815.51
Reconciliation Discrepancies	-0.16	-3.42	3.96	0.00	0.00	0.38
Repair Parts						
Parts - N137MW	0.00	0.00	0.00	12,837.81	0.00	12,837.81
Total Repair Parts	0.00	0.00	0.00	12,837.81	0.00	12,837.81
Repair Parts/Stock						
Parts/Stock BI	2,955.62	828.06	912.90	1,597.28	3,834.02	10,127.88
Parts/Stock Islanders	3,412.17	0.00	0.00	0.00	5,223.35	8,635.52
Total Repair Parts/Stock	6,367.79	828.06	912.90	1,597.28	9,057.37	18,763.40
Small Tools						
Small Tools BI	0.00	0.00	259.85	0.00	40.00	299.85
Total Small Tools	0.00	0.00	259.85	0.00	40.00	299.85
Supplies						
Kitchen/Food Supplies	0.00	0.00	0.00	0.00	72.53	72.53
Shop Supplies						
Shop Supplies BI	49.81	157.25	100.53	71.00	314.68	693.27
Shop Supplies CVX	483.55	117.90	46.76	421.30	152.76	1,222.27
Total Shop Supplies	533.36	275.15	147.29	492.30	467.44	1,915.54
Supplies - Other	0.00	0.00	0.00	0.00	2,800.00	2,800.00
Total Supplies	533.36	275.15	147.29	492.30	3,339.97	4,788.07
Telephone						
Telephone/Beaver Island	14.48	641.35	718.73	757.21	814.57	2,946.34
Telephone/Charlevoix	1,040.58	0.00	1,302.44	283.53	298.71	2,925.26
Telephone - Other	630.79	625.66	621.32	621.31	621.32	3,120.40
Total Telephone	1,685.85	1,267.01	2,642.49	1,662.05	1,734.60	8,992.00
Trash Disposal	48.00	34.00	0.00	24.00	24.00	130.00
Travel						
Employee Meals	1,180.68	0.00	0.00	0.00	0.00	1,180.68
Travel - Other	95.20	0.00	0.00	1,066.88	0.00	1,162.08
Total Travel	1,275.88	0.00	0.00	1,066.88	0.00	2,342.76
Uncategorized Expenses	7,776.39	19,286.16	1,653.70	7,778.00	0.00	36,494.25

Island Airways

Profit & Loss

January through May 2025

	Jan 25	Feb 25	Mar 25	Apr 25	May 25	TOTAL
Utilities						
Utilities/Beaver Island	4,680.16	4,201.07	3,508.29	2,903.58	2,423.47	17,716.57
Utilities/Charlevoix	1,180.74	1,010.92	578.06	1,926.04	365.99	5,061.75
Total Utilities	<u>5,860.90</u>	<u>5,211.99</u>	<u>4,086.35</u>	<u>4,829.62</u>	<u>2,789.46</u>	<u>22,778.32</u>
Vehicle/Plow Expenses						
Gas/Oil/Maint-Co Vehicles	187.28	677.69	0.00	752.87	604.05	2,221.89
Vehicle/Plow BI	682.21	0.00	1,452.42	0.00	0.00	2,134.63
Vehicle/Plow CVX	395.36	28.60	0.00	14.83	0.00	438.79
Total Vehicle/Plow Expenses	<u>1,264.85</u>	<u>706.29</u>	<u>1,452.42</u>	<u>767.70</u>	<u>604.05</u>	<u>4,795.31</u>
Total Expense	<u>147,571.31</u>	<u>149,230.26</u>	<u>100,926.43</u>	<u>141,287.62</u>	<u>166,152.31</u>	<u>705,167.93</u>
Net Ordinary Income	-57,147.17	-65,359.94	28,824.09	20,537.46	28,737.63	-44,407.93
Other Income/Expense						
Other Income						
Finance Charge Income	81.01	42.59	34.02	0.00	0.00	157.62
Interest Income	0.00	2.33	0.00	0.00	0.00	2.33
Miscellaneous Income	3,050.00	0.00	0.00	0.00	0.00	3,050.00
Total Other Income	<u>3,131.01</u>	<u>44.92</u>	<u>34.02</u>	<u>0.00</u>	<u>0.00</u>	<u>3,209.95</u>
Net Other Income	<u>3,131.01</u>	<u>44.92</u>	<u>34.02</u>	<u>0.00</u>	<u>0.00</u>	<u>3,209.95</u>
Net Income	<u><u>-54,016.16</u></u>	<u><u>-65,315.02</u></u>	<u><u>28,858.11</u></u>	<u><u>20,537.46</u></u>	<u><u>28,737.63</u></u>	<u><u>-41,197.98</u></u>

Island Airways
Balance Sheet
As of June 30, 2025

Jun 30, 25

ASSETS

Current Assets

Checking/Savings

BI Petty Cash	2,000.00
Air Carrier PPP	1.00
CVX Savings Account 2	15,270.97
.Checking-CSB	36,338.71
BI cash in till	100.25
Cash In Drawer	-163.17
Cash in till - CVX	200.00
Petty Cash	1,010.25
VISA/MC/Other CC in transit	-8,824.60

Total Checking/Savings 45,933.41

Accounts Receivable

Accounts Receivable	171,275.97
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Total Accounts Receivable 171,275.97

Other Current Assets

Inventory-Parts	329,185.98
Inventory - Fuel & Oil	86,619.28
Inventory Asset	-827.06
NSF Checks	2,564.84
Payroll Service Customer Asset	-0.59
Personal Purchases	-43,000.00
Undeposited Funds	3,256.11

Total Other Current Assets 377,798.56

Total Current Assets 595,007.94

Fixed Assets

Airplanes 1,955,268.28

Buildings 105,132.68

Computer Equipment

Reservation Program	49,490.00
Computer Equipment - Other	119,139.19

Total Computer Equipment 168,629.19

Covenant not to Compete 98,333.32

Accumulated Amortization -98,333.32

Furniture & Fixtures 15,958.88

Hangar Addition

Hangar Addition - BI	43,160.57
Hangar Addition - Other	150,420.82

Total Hangar Addition 193,581.39

Land 2,500.00

Machinery & Equipment 328,479.01

Small Tools/Shop Equipment 12,971.74

Island Airways
Balance Sheet
As of June 30, 2025

	<u>Jun 30, 25</u>
Storage Building	14,946.00
Telephone - new system	9,523.10
Vehicles	132,813.65
Accumulated Depreciation	<u>-2,792,080.31</u>
Total Fixed Assets	147,723.61
Other Assets	
FAA Training Manuals	<u>27,939.21</u>
Total Other Assets	<u>27,939.21</u>
TOTAL ASSETS	<u>770,670.76</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>138,095.38</u>
Total Accounts Payable	138,095.38
Other Current Liabilities	
A/P-Britten Norman	-2,100.00
P & A Loan to Co	15,000.00
Excise Tax Payable	8,082.80
Payroll Liabilities	
Employee SIMPLE payable	-1,233.71
Employer SIMPLE Payable	-1,235.61
Friend of Court	<u>-72.19</u>
Total Payroll Liabilities	-2,541.51
Sales/Use Tax Payable	<u>852.30</u>
Total Other Current Liabilities	<u>19,293.59</u>
Total Current Liabilities	157,388.97
Long Term Liabilities	
N949PW	300,164.06
SBA Disaster Loan	965,789.00
N/P - CVX Refi	521,337.42
2009 Line of Credit	325,900.00
P & A Welke Payable	<u>122,206.50</u>
Total Long Term Liabilities	<u>2,235,396.98</u>
Total Liabilities	2,392,785.95
Equity	
Members Equity	78,000.00
Accumulated Adjustments	-210,955.61
Common Stock	5,000.00
Paid in Capital	76,969.00
Retained Earnings	-1,311,844.90
Treasury Stock	-231,000.00
Net Income	-28,283.68

Island Airways

Balance Sheet

As of June 30, 2025

	Jun 30, 25
Total Equity	-1,622,115.19
TOTAL LIABILITIES & EQUITY	770,670.76

Form 1120-S		U.S. Income Tax Return for an S Corporation		OMB No. 1545-0123	
Department of the Treasury Internal Revenue Service		2024			
For calendar year 2024 or tax year beginning , ending					
A S election effective date 03/01/83		TYPE OR PRINT	Name MCPHILLIPS FLYING SERVICE, INC. ISLAND AIRWAYS		D Employer identification number 38-1690570
B Business activity code number (see instructions) 481000			Number, street, and room or suite no. If a P.O. box, see instructions. 111 AIRPORT DR.		E Date incorporated 09/06/1962
C Check if Sch. M-3 attached <input type="checkbox"/>			City or town, state or province, country, and ZIP or foreign postal code CHARLEVOIX MI 49720		F Total assets (see instructions) \$ 729,329
G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
H Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination					
I Enter the number of shareholders who were shareholders during any part of the tax year 1					
J Check if corporation: (1) <input type="checkbox"/> Aggregated activities for section 465 at-risk purposes (2) <input type="checkbox"/> Grouped activities for section 469 passive activity purposes					
Caution: Include only trade or business income and expenses on lines 1a through 22. See the instructions for more information.					
Income	1a Gross receipts or sales	2,288,496	b Less returns and allowances	c Balance	1c 2,288,496
	2 Cost of goods sold (attach Form 1125-A)				2 487,431
	3 Gross profit. Subtract line 2 from line 1c				3 1,801,065
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)				4
	5 Other income (loss) (see instructions—attach statement)			SEE STMT 1	5 1,116
	6 Total income (loss). Add lines 3 through 5				6 1,802,181
Deductions (see instructions for limitations)	7 Compensation of officers (see instructions—attach Form 1125-E)				7 114,423
	8 Salaries and wages (less employment credits)				8 790,796
	9 Repairs and maintenance				9 19,735
	10 Bad debts				10
	11 Rents				11
	12 Taxes and licenses				12 170,323
	13 Interest (see instructions)				13 144,847
	14 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)				14 36,873
	15 Depletion (do not deduct oil and gas depletion)				15
	16 Advertising				16 3,127
	17 Pension, profit-sharing, etc., plans				17
	18 Employee benefit programs				18 9,094
	19 Energy efficient commercial buildings deduction (attach Form 7205)				19
	20 Other deductions (attach statement)			SEE STMT 2	20 635,302
21 Total deductions. Add lines 7 through 20				21 1,924,520	
22 Ordinary business income (loss). Subtract line 21 from line 6				22 -122,339	
Tax and Payments	23a Excess net passive income or LIFO recapture tax (see instructions)	23a			23c
	b Tax from Schedule D (Form 1120-S)	23b			
	c Add lines 23a and 23b (see instructions for additional taxes)				
	24a Current year's estimated tax payments and preceding year's overpayment credited to the current year	24a			24z
	b Tax deposited with Form 7004	24b			
	c Credit for federal tax paid on fuels (attach Form 4136)	24c			
	d Elective payment election amount from Form 3800	24d			
	z Add lines 24a through 24d				
	25 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>				25
	26 Amount owed. If line 24z is smaller than the total of lines 23c and 25, enter amount owed				26
	27 Overpayment. If line 24z is larger than the total of lines 23c and 25, enter amount overpaid				27
	28 Enter amount from line 27: Credited to 2025 estimated tax Refunded				28
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.				May the IRS discuss this return with the preparer shown below? See instructions. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Signature of officer PAUL WELKE Date _____ Title PRESIDENT				
Paid Preparer Use Only	Print/Type preparer's name RORY DILL		Preparer's signature RORY DILL		Date 06/26/25
	Firm's name RRG & G, PC		Firm's EIN 38-3214917		Check <input type="checkbox"/> if self-employed PTIN P01708939
	Firm's address 2 E MAIN ST FREMONT, MI 49412		Phone no. 231-924-9857		

Form 1120-S (2024) **MCPHILLIPS FLYING SERVICE, INC.** **38-1690570**Page **2****Schedule B Other Information** (see instructions)

1 Check accounting method:	a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual	c <input type="checkbox"/> Other (specify)	Yes	No
2 See the instructions and enter the:				
a Business activity TRANSPORTATION	b Product or service AIR SERVICE			
3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation				X
4 At the end of the tax year, did the corporation:				
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below				X
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) Is 100%, Enter the Date (if applicable) a Qualified Subchapter S Subsidiary Election Was Made
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below				X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock?				X
If "Yes," complete lines (i) and (ii) below.				
(i) Total shares of restricted stock				
(ii) Total shares of non-restricted stock				
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments?				X
If "Yes," complete lines (i) and (ii) below.				
(i) Total shares of stock outstanding at the end of the tax year				
(ii) Total shares of stock outstanding if all instruments were executed				
6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction?				X
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount				<input type="checkbox"/>
If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.				
8 If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. See instructions				\$
9 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions				X
10 Does the corporation satisfy one or more of the following? See instructions				X
a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.				
b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$30 million and the corporation has business interest expense.				
c The corporation is a tax shelter and the corporation has business interest expense.				
If "Yes," complete and attach Form 8990 , Limitation on Business Interest Expense Under Section 163(j).				
11 Does the corporation satisfy both of the following conditions?				X
a The corporation's total receipts (see instructions) for the tax year were less than \$250,000.				
b The corporation's total assets at the end of the tax year were less than \$250,000.				
If "Yes," the corporation is not required to complete Schedules L and M-1.				

Form **1120-S** (2024)

Form 1120-S (2024) **MCPHILLIPS FLYING SERVICE, INC.** **38-1690570**Page **3**

Schedule B Other Information (see instructions) (continued)		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction \$		X
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14a	Did the corporation make any payments that would require it to file Form(s) 1099?	X	
b	If "Yes," did or will the corporation file required Form(s) 1099?	X	
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15 \$		X
16	At any time during the tax year, did the corporation: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? See instructions		X

Schedule K Shareholders' Pro Rata Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 -122,339
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss) 3a	
	b Expenses from other rental activities (attach statement) 3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Interest income	4 24
	5 Dividends: a Ordinary dividends	5a
	b Qualified dividends 5b	
	6 Royalties	6
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S))	7
Deductions	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S))	8a
	b Collectibles (28%) gain (loss) 8b	
	c Unrecaptured section 1250 gain (attach statement) 8c	
	9 Net section 1231 gain (loss) (attach Form 4797)	9
	10 Other income (loss) (see instructions) Type:	10
	11 Section 179 deduction (attach Form 4562)	11
	12a Cash charitable contributions STMT 3 12a 3,176	
	b Noncash charitable contributions	12b
	c Investment interest expense	12c
	d Section 59(e)(2) expenditures Type:	12d
e Other deductions (see instructions) Type:	12e	
Credits	13a Low-income housing credit (section 42(j)(5))	13a
	b Low-income housing credit (other)	13b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c
	d Other rental real estate credits (see instructions) Type:	13d
	e Other rental credits (see instructions) Type:	13e
	f Biofuel producer credit (attach Form 6478)	13f
	g Other credits (see instructions) Type:	13g
Inter-national	14 Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items—International, and check this box to indicate you are reporting items of international tax relevance <input type="checkbox"/>	
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a 6,090
	b Adjusted gain or loss	15b
	c Depletion (other than oil and gas)	15c
	d Oil, gas, and geothermal properties – gross income	15d
	e Oil, gas, and geothermal properties – deductions	15e
	f Other AMT items (attach statement)	15f
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a
	b Other tax-exempt income	16b
	c Nondeductible expenses	16c 526
	d Distributions (attach statement if required) (see instructions)	16d
	e Repayment of loans from shareholders	16e
	f Foreign taxes paid or accrued	16f

Form **1120-S** (2024)

Form 1120-S (2024) **MCPHILLIPS FLYING SERVICE, INC.** 38-1690570

Page 4

Schedule K Shareholders' Pro Rata Share Items (continued)			Total amount	
Other Information	17a Investment income		17a	24
	b Investment expenses		17b	
	c Dividend distributions paid from accumulated earnings and profits		17c	
	d Other items and amounts (attach statement)	SEE STATEMENT 4		
Reconciliation	18 Income (loss) reconciliation. Combine the total amounts on lines 1 through 10. From the result, subtract the sum of the amounts on lines 11 through 12d and 16f		18	-125,491

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			137,856		14,935
2a Trade notes and accounts receivable		140,072		127,796	
b Less allowance for bad debts	(140,072	(127,796
3 Inventories			402,993		410,936
4 U.S. government obligations					
5 Tax-exempt securities (see instructions)					
6 Other current assets (attach statement) STMT 5			27,938		27,938
7 Loans to shareholders					
8 Mortgage and real estate loans					
9 Other investments (attach statement)					
10a Buildings and other depreciable assets		2,937,304		2,937,304	
b Less accumulated depreciation	(2,755,208	182,096	(2,792,080
11a Depletable assets					
b Less accumulated depletion	((
12 Land (net of any amortization)			2,500		2,500
13a Intangible assets (amortizable only)		98,333		98,333	
b Less accumulated amortization		98,333	0	98,333	0
14 Other assets (attach statement) STMT 6					
15 Total assets			893,455		729,329
Liabilities and Shareholders' Equity					
16 Accounts payable			71,326		79,495
17 Mortgages, notes, bonds payable in less than 1 year					
18 Other current liabilities (attach statement) STMT 7			10,566		8,664
19 Loans from shareholders					18,000
20 Mortgages, notes, bonds payable in 1 year or more			2,175,171		2,112,795
21 Other liabilities (attach statement) STMT 8			122,206		182,206
22 Capital stock			5,000		5,000
23 Additional paid-in capital			76,969		76,969
24 Retained earnings			-1,336,783		-1,522,800
25 Adjustments to shareholders' equity (attach statement)					
26 Less cost of treasury stock	(231,000	(231,000
27 Total liabilities and shareholders' equity			893,455		729,329

Form 1120-S (2024)

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	-186,017	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12e, and 16f (itemize):		6	Deductions included on Schedule K, lines 1 through 12e, and 16f, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$	526			
	STMT 9 60,000	60,526	7	Add lines 5 and 6	
4	Add lines 1 through 3	-125,491	8	Income (loss) (Schedule K, line 18). Subtract line 7 from line 4 ..	-125,491

Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account (see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1	Balance at beginning of tax year	-900,531		-14,802
2	Ordinary income from page 1, line 22			
3	Other additions	24		
4	Loss from page 1, line 22	(122,339)		
5	Other reductions	(3,702)		()
6	Combine lines 1 through 5	-1,026,548		-14,802
7	Distributions			
8	Balance at end of tax year. Subtract line 7 from line 6	-1,026,548		-14,802

Client Copy

Form **1125-A**

(Rev. November 2024)
Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.
Go to www.irs.gov/Form1125A for the latest information.

OMB No. 1545-0123

Name

MCPHILLIPS FLYING SERVICE, INC.

Employer identification number

38-1690570

1	Inventory at beginning of year	1	403,427
2	Purchases	2	20,791
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) STMT 12	5	474,815
6	Total. Add lines 1 through 5	6	899,033
7	Inventory at end of year	7	411,602
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	487,431

9a Check all methods used for valuing closing inventory. See instructions.

- (i) ☒ Cost
(ii) ☐ Lower of cost or market
(iii) ☐ Other (Specify method used and attach explanation.)

For certain small business taxpayers, alternative methods of accounting for inventories:

- (iv) ☐ Non-incidental materials and supplies method
(v) ☐ AFS method
(vi) ☐ Non-AFS method

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d (i) If the LIFO inventory method was used for this tax year, enter amount of closing inventory figured under LIFO

9d(i)

(ii) If the LIFO inventory method was used for this tax year, enter amount of the closing LIFO Reserve

9d(ii)

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions

☐ Yes

☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation

☐ Yes

☒ No

For Paperwork Reduction Act Notice, see instructions.

Form **1125-A** (Rev. 11-2024)

671124

**Schedule K-1
(Form 1120-S)**Department of the Treasury
Internal Revenue Service**2024**

For calendar year 2024, or tax year

beginning

ending

Shareholder's Share of Income, Deductions, Credits, etc.
See separate instructions.☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

Part III**Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

1	Ordinary business income (loss) -122,339	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income 24		
5a	Ordinary dividends		
5b	Qualified dividends	14	Schedule K-3 is attached if checked <input type="checkbox"/>
6	Royalties	15 A	Alternative minimum tax (AMT) items 6,090
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)	16 C*	Items affecting shareholder basis 526
10	Other income (loss)		
		17 A	Other information 24
11	Section 179 deduction	V*	STMT
12 A	Other deductions 3,176	AC*	STMT
18	More than one activity for at-risk purposes*		
19	More than one activity for passive activity purposes*		
* See attached statement for additional information.			

Part I Information About the Corporation

A	Corporation's employer identification number 38-1690570
B	Corporation's name, address, city, state, and ZIP code MCPHILLIPS FLYING SERVICE, INC. ISLAND AIRWAYS 111 AIRPORT DR. CHARLEVOIX MI 49720
C	IRS Center where corporation filed return E-FILE
D	Corporation's total number of shares Beginning of tax year 1,000 End of tax year 1,000

Part II Information About the Shareholder

E	Shareholder's identifying number -3806
F1	Shareholder's name, address, city, state, and ZIP code PAUL WELKE P.O. BOX 56 BEAVER ISLAND MI 49782
F2	If the shareholder is a disregarded entity, a trust, an estate, or a nominee or similar person, enter the individual or entity responsible for reporting: TIN _____ Name _____
F3	What type of entity is this shareholder? _____
G	Current year allocation percentage 100.000000 %
H	Shareholder's number of shares Beginning of tax year 1,000 End of tax year 1,000
I	Loans from shareholder Beginning of tax year \$ 0 End of tax year \$ 18,000

For IRS Use Only

Form 1125-E
(Rev. October 2016)
Department of the Treasury
Internal Revenue Service
Name _____

Compensation of Officers

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.

OMB No. 1545-0123

► Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.

Name _____

MCPHILLIPS FLYING SERVICE, INC.

Employer identification number

38-1690570

Note: Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

(a) Name of officer	(b) Social security number (see instructions)	(c) Percent of time devoted to business	Percent of stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 PAUL WELKE	3806	100.000 %	100.000 %	%	37,500
ANGEL LEFEVRE-WELKE	8443	100.000 %	%	%	76,923
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
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		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					2 114,423
3 Compensation of officers claimed on Form 1125-A or elsewhere on return					3
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return					4 114,423

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-E** (Rev. 10-2016)

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2024Attachment
Sequence No. **179**Department of the Treasury
Internal Revenue ServiceGo to www.irs.gov/Form4562 for instructions and the latest information.

Name(s) shown on return

MCPHILLIPS FLYING SERVICE, INC.

Identifying number

38-1690570

Business or activity to which this form relates

REGULAR DEPRECIATION**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	1,220,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	3,050,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2023 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2025. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	2,667

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2024	17	34,206
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2024 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2024 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	36,873
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2024)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	24b If "Yes," is the evidence written?				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions							25				
26 Property used more than 50% in a qualified business use:											
SEE STATEMENT 13			66,406	47,073							
			%								
			%								
27 Property used 50% or less in a qualified business use:											
			%			S/L-					
			%			S/L-					
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28				
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29			

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6						
30 Total business/investment miles driven during the year (don't include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons. See instructions.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2024 tax year (see instructions):					
43 Amortization of costs that began before your 2024 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Section 199A Information Worksheet		2024
Form 1120-S	For calendar year 2024 or tax year beginning , ending	
Name MCPHILLIPS FLYING SERVICE, INC.		Employer Identification Number 38-1690570

	Activity Description	Pass-Through Entity EIN	PTP	Aggregated	SSTB
Column A	PAGE 1 ACTIVITY				
Column B					
Column C					
Column D					
Column E					

QBI or Qualified PTP items:	Column A	Column B	Column C	Column D	Column E
Ordinary business income (loss)	-122,339				
Net rental real estate income (loss)					
Other net rental income (loss)					
Royalty income (loss)					
Section 1231 gain (loss)					
Other income (loss)					
Section 179 deduction					
Other deductions					
W-2 wages	905,219				
Qualified property	1,415,794				
Other Information:					
QBI allocable to cooperative prmts received					
W-2 wages allocable to qualified payments					
Section 199A(g) deduction					
Section 199A REIT dividends					

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38-1690570

Federal Statements

FYE: 12/31/2024

Statement 1 - Form 1120-S, Page 1, Line 5 - Other Income (Loss)

Description	Amount
FINANCE CHARGE INCOME	\$ 1,116
FUEL TAX REFUND	
MISC. INCOME	
INSURANCE REFUNDS	
TOTAL	\$ 1,116

Statement 2 - Form 1120-S, Page 1, Line 20 - Other Deductions

Description	Amount
ACCOUNTING/LEGAL	\$ 4,889
BANK CHARGES	88
CLOSING/RECORDING FEES	20
CREDIT CARD PROCESSING FEES	39,342
DUES/SUBSCRIPTIONS	10,514
EMPLOYER SIMPLE	14,446
EMPLOYEE GOODWILL	1,214
EMPLOYEE TRAINING	536
FICA/MEDICARE	68,975
INSPECTION FEES	1,027
INSURANCE	319,377
INTERNET/WEBSITE	18,410
JANITORIAL SERVICES	744
KITCHEN/FOOD SUPPLIES	480
LAUNDRY/UNIFORMS	475
MAINT.-CVX/BI BLDG/GROUNDS	17,385
MAINT.-EQUIPMENT	6,051
MEDICAL EXPENSES	1,637
MISCELLANEOUS	
OFFICE SUPPLIES	14,982
OUTSIDE SERVICES/PAYROLL PROC	
PILOT SUPPLIES	1,022
POSTAGE/FREIGHT	4,639
REFUNDS	58
SELF INSURED FREIGHT DAMAGE	15
SERVICE EXPENSE	120
SHOP SUPPLIES	7,862
SMALL TOOLS	2,344
SUPPLIES	3,918
TELEPHONE	28,221
TRASH DISPOSAL	468
TRAVEL	
UNEMPLOYMENT	1,579
UTILITIES	36,851
VEHICLE/PLOW EXPENSES	10,001
WORKMANS COMP INS	7,860
AIRCRAFT MAINTENANCE	9,225
50% OF MEALS	527
TOTAL	\$ 635,302

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Statement 3 - Form 1120-S, Page 3, Schedule K, Line 12a - Cash Contributions

Description	Cash Contrib 60%	Cash Contrib 30%	Total
VARIOUS	\$ 3,176	\$	\$ 3,176
TOTAL	\$ 3,176	\$ 0	\$ 3,176

Statement 4 - Form 1120-S, Page 4, Schedule K, Line 17d - Other Items and Amounts

Description	Amount
SECTION 199A INFORMATION - SEE ATTACHED WRK	\$

Statement 5 - Form 1120-S, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
FAA TRAINING MANUALS	\$ 27,939	\$ 27,939
ESCROW DEPOSITS		
EQUIP/BLDG COSTS;IN PROGRESS		
PAYROLL SERVICE CUSTOMER	-1	-1
TOTAL	\$ 27,938	\$ 27,938

Statement 6 - Form 1120-S, Page 4, Schedule L, Line 14 - Other Assets

Description	Beginning of Year	End of Year
A/R-ERC, 2020	\$	\$
A/R-ERC, 2021		
TOTAL	\$ 0	\$ 0

Statement 7 - Form 1120-S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
ACCRUED STATE W/H/SALES TAX	\$ 634	\$ 737
ACCRUED EXCISE TAX	8,083	8,083
ACCRUED SIMPLE	1,849	-156
TOTAL	\$ 10,566	\$ 8,664

38-1690570

Federal Statements

FYE: 12/31/2024

Statement 8 - Form 1120-S, Page 4, Schedule L, Line 21 - Other Liabilities

Description	Beginning of Year	End of Year
RENT PAYABLE	\$ 122,206	\$ 182,206
TOTAL	\$ 122,206	\$ 182,206

Statement 9 - Form 1120-S, Page 5, Schedule M-1, Line 3 - Expenses on Books Not on Return

Description	Amount
UNPAID RENT	\$ 60,000
TOTAL	\$ 60,000

Statement 10 - Form 1120-S, Page 5, Schedule M-2, Line 3(a) - Other Additions

Description	Amount
INTEREST INCOME	\$ 24
TOTAL	\$ 24

Statement 11 - Form 1120-S, Page 5, Schedule M-2, Line 5(a) - Other Reductions

Description	Amount
TRAVEL & ENTERTAINMENT	\$ 526
CHARITABLE CONTRIBUTIONS	3,176
TOTAL	\$ 3,702

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Federal Statements

FYE: 12/31/2024

Statement 12 - Form 1125-A, Line 5 - Other Costs

Description	Amount
CHARTER EXPENSE	\$ 100
FUEL USED	318,567
PARKING FEES	60,761
HANGAR RENT	2,207
REPAIR PARTS/STOCK	93,180
TOTAL	\$ 474,815

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38-1690570

Federal Statements

FYE: 12/31/2024

Regular Depreciation**Statement 13 - Form 4562, Part V, Line 26 - Property Used More Than 50% in Qualified Business**

Property Type	Date in Service	Busn Use %	Cost or Basis	Basis For Depr	Per	Meth	Deduct	Sec 179
1998 JEEP	12/19/03	100.00	\$ 6,345	\$ 3,172	5.0	200DBMQ	\$	\$
2002 CHRYSLER STATION WAGON	9/13/06	100.00	7,427	7,427	5.0	200DBHY		
2000 FORD STATION WAGON	9/13/06	100.00	5,846	5,846	5.0	200DBHY		
1996 DODGE PICKUP (RENTAL)	4/09/07	100.00	3,763	3,763	5.0	200DBHY		
2004 FORD TAURUS (RENTAL)	4/25/07	100.00	6,459	6,459	5.0	200DBHY		
VILLAGER VAN	5/26/09	100.00	2,000	2,000	5.0	200DBHY		
JEEP	8/12/10	100.00	1,500	1,500	5.0	200DBHY		
2009 FORD RANGER	8/21/15	100.00	7,465	4,005	5.0	200DBHY		
1991 PLYMOUTH VOYAGER(FOR MAIL)	9/15/15	100.00	700		5.0	200DBHY		
1995 CHEVY CORSICA (LOANER CAR)	9/15/15	100.00	400	400	5.0	200DBHY		
VAN	5/06/16	100.00	500	500	5.0	200DBMQ		
1999 CHEVY SILVERADO	4/26/19	100.00	4,317	2,159	5.0	200DBHY		
1974 FORD UTILITY TRUCK	5/21/19	100.00	2,567	1,283	5.0	200DBHY		
2205 JEEP LIBERTY	5/08/20	100.00	6,560	3,280	5.0	200DBHY		
2009 TOYOTA RAV 4	5/11/21	100.00	10,557	5,279	5.0	200DBMQ		
TOTAL			\$ 66,406	\$ 47,073			\$ 0	\$ 0

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Federal Statements

FYE: 12/31/2024

Paul Welke**806****Schedule K-1, Box 16, Code C - Nondeductible Expenses**

Description	Shareholder Amount
PAGE 1 MEALS	\$ 526
TOTAL	\$ 526

Schedule K-1, Box 17, Code AC - Gross Receipts for Section 448(c)

Description	Shareholder Amount
8990 GROSS RECEIPTS FOR 2023	2,147,617
8990 GROSS RECEIPTS FOR 2022	1,966,483
8990 GROSS RECEIPTS FOR 2021	2,275,556

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Form 1120-S Schedule K-1	Schedule K-1, Box 17, Code V Shareholder's Section 199A Information	2024
For calendar year 2024 or tax year beginning , ending		

Name MCPHILLIPS FLYING SERVICE, INC. PAUL WELKE	Taxpayer Identification Number 38-1690570 -3806
---	---

	Activity Description	Pass-Through Entity EIN	PTP	Aggregated	SSTB
Column A	PAGE 1 ACTIVITY				
Column B					
Column C					
Column D					
Column E					

QBI or Qualified PTP items:	Column A	Column B	Column C	Column D	Column E
Ordinary business income (loss)	-122,339				
Net rental real estate income (loss)					
Other net rental income (loss)					
Royalty income (loss)					
Section 1231 gain (loss)					
Other income (loss)					
Section 179 deduction					
Other deductions					
W-2 wages	905,219				
Qualified property	1,415,794				
Other Information:					
QBI allocable to cooperative prmts received					
W-2 wages allocable to qualified payments					
Section 199A(g) deduction					
Section 199A REIT dividends					

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Year Ending: December 31, 2024

38-1690570

McPhillips Flying Service, Inc.
111 Airport Dr.
Charlevoix, MI 49720

Section 1.263(a)-1(f) De Minimis Safe Harbor Election

Under Regulation 1.263(a)-1(f), the taxpayer hereby elects to apply the de minimis safe harbor election to all qualifying property placed in service during the tax year.

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38-1690570

Qualified Property Report

FYE: 12/31/2024

Form 1120-S, Page 1

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Qualified Property
27	Building Impr.	9/15/96	15,024	100.00	15,024
28	Building Impr.	10/15/96	18,792	100.00	18,792
54	Hangar Addition	8/15/99	127,886	100.00	127,886
55	Hangar Addition	9/15/99	12,311	100.00	12,311
56	Hangar Addition	10/15/99	2,202	100.00	2,202
57	Hangar Addition	12/15/99	2,481	100.00	2,481
73	Hangar repairs	12/21/00	4,641	100.00	4,641
82	Storage Building	11/03/00	12,146	100.00	12,146
92	Hangar Improvements-BI	12/01/02	22,785	100.00	22,785
136	Hangar Addition (BI)	8/27/03	18,704	100.00	18,704
148	Hangar repairs	10/28/04	899	100.00	899
331	Reservation Program	6/01/10	40,000	100.00	40,000
359	waste oil furnace	9/06/11	1,300	100.00	1,300
386	63790 repairs	1/09/15	403	100.00	403
387	63790 repairs	3/10/15	1,256	100.00	1,256
389	N173MW, repairs	6/08/15	6,322	100.00	6,322
390	63790, repairs	6/08/15	1,256	100.00	1,256
391	N80KM, repairs	6/22/15	2,148	100.00	2,148
392	N80KM, overhaul govenor	6/24/15	1,041	100.00	1,041
394	N80KM, repairs	7/15/15	4,411	100.00	4,411
395	N80KM, overhaul govenor (addl costs)	7/23/15	1,042	100.00	1,042
397	95BN, repairs	8/09/15	4,000	100.00	4,000
398	95BN Repairs	8/09/15	4,117	100.00	4,117
399	N137MW, overhaul props	9/25/15	3,171	100.00	3,171
400	N95BN, preheat systems	11/09/15	610	100.00	610
401	Bulldozer	5/23/15	6,000	100.00	6,000
402	Forklift (CVX)	12/29/15	500	100.00	500
403	2009 Ford Ranger	8/21/15	7,465	100.00	7,465
404	1991 Plymouth Voyager(for mail)	9/15/15	700	100.00	700
405	1995 Chevy Corsica (loaner car)	9/15/15	400	100.00	400
406	Engine overhaul-95BN	7/7/16	23,150	100.00	23,150
407	Avionics update, 95BN	11/08/16	882	100.00	882
408	Engine (2) overhaul, N137MW	11/09/16	37,875	100.00	37,875
410	Engine overhaul, 63790	12/14/16	15,663	100.00	15,663
411	Propeller overhaul, N80KM	12/29/16	1,551	100.00	1,551
412	computer equipment	10/08/16	726	100.00	726
413	Intl tractor with bucket	4/07/16	2,944	100.00	2,944
414	front-end loader motor	7/22/16	3,774	100.00	3,774
415	Van	5/06/16	500	100.00	500
416	Repairs	8/18/16	226	100.00	226
417	Pitch computer, 63790	1/03/17	2,003	100.00	2,003
419	Repairs, 11P	6/07/17	4,050	100.00	4,050
420	Repairs, 11P	6/07/17	3,900	100.00	3,900
421	Radio, 96L	6/28/17	1,500	100.00	1,500
422	Repairs, N137MW	9/08/17	4,510	100.00	4,510
424	Power Packs plus, 11P	9/11/17	2,291	100.00	2,291
425	Cylinder, 63790	10/10/17	9,064	100.00	9,064
426	Repairs, N137MW	11/15/17	3,426	100.00	3,426
427	I-Pad, Foreflight computer	2/06/17	698	100.00	698
428	Tablet	11/13/17	244	100.00	244
429	Tablet (Paul)	11/13/17	246	100.00	246
430	Monitor (freight room)	11/13/17	106	100.00	106
431	I-pad	11/13/17	510	100.00	510
432	Laptop	11/13/17	262	100.00	262
433	Airplane repairs	2/12/19	4,686	100.00	4,686
434	Airplane repairs N80KM	3/11/19	3,329	100.00	3,329
436	Airplane repairs, N80KM	4/08/19	7,579	100.00	7,579
437	Airplane repairs, N80KM	4/09/19	3,005	100.00	3,005
438	Airplane repairs, 95BN	8/21/19	4,072	100.00	4,072
439	Airplane repairs, N80KM	10/15/19	4,167	100.00	4,167
440	Airplane repairs, N95BN	11/01/19	4,214	100.00	4,214
441	Airplane repairs, N137MW	11/01/19	4,391	100.00	4,391
442	Airplane repairs, N137MW	11/08/19	3,526	100.00	3,526
443	Airplane repairs, N80KM	12/31/19	3,436	100.00	3,436
444	Kubota	8/01/19	19,000	100.00	19,000
445	Garmin GTX330	9/09/19	2,579	100.00	2,579
446	luggage cart	12/10/19	600	100.00	600
447	1999 Chevy Silverado	4/26/19	4,317	100.00	4,317
448	1974 Ford Utility Truck	5/21/19	2,567	100.00	2,567
449	2205 Jeep Liberty	5/08/20	6,560	100.00	6,560
450	Aircraft engine (MW)	5/08/20	10,613	100.00	10,613

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38-1690570

Qualified Property Report

FYE: 12/31/2024

Form 1120-S, Page 1

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Qualified Property
451	Engine (MW)	6/08/20	7,860	100.00	7,860
452	Engine	7/06/20	4,609	100.00	4,609
453	GPS	8/12/20	5,500	100.00	5,500
454	S-TEC System 50	9/01/20	14,868	100.00	14,868
455	Aircraft parts (MW)	9/09/20	10,778	100.00	10,778
456	Spare Engine (Islander)	10/09/20	7,059	100.00	7,059
457	Printer/monitors	8/10/20	4,000	100.00	4,000
459	Computer/Network upgrades	1/31/21	5,323	100.00	5,323
460	Computer/network upgrades	2/28/21	1,000	100.00	1,000
461	Computer/network upgrades	3/31/21	18,095	100.00	18,095
462	Computer/network upgrades	7/05/21	6,000	100.00	6,000
463	Computer/network upgrades	12/31/21	7,431	100.00	7,431
464	Loader/Plow	6/04/21	2,500	100.00	2,500
465	Repairs-loader/backhoe	6/07/21	28,770	100.00	28,770
466	John Deere Tractor	8/10/21	19,552	100.00	19,552
467	Cargo Trailer	8/10/21	10,497	100.00	10,497
468	Snowblade, JD tractor	9/11/21	1,413	100.00	1,413
469	Repairs:gator/tow vehicles	9/11/21	2,654	100.00	2,654
470	Snow box for Loader	11/10/21	4,305	100.00	4,305
471	Storage unit-BI hangar	9/16/21	2,800	100.00	2,800
472	2009 Toyota Rav 4	5/11/21	10,557	100.00	10,557
474	Auto Pilot: 95BN	4/01/21	14,878	100.00	14,878
475	Radio: 137MW	4/08/21	8,480	100.00	8,480
476	Radio: 95BN	5/10/21	8,268	100.00	8,268
477	Airplane; 940PW	11/24/21	503,159	100.00	503,159
478	Cargo nets	8/09/21	1,419	100.00	1,419
479	N406CW,carryover basis from N866JA	11/13/21	42,142	100.00	42,142
480	N406CW, Addl basis after insurance proceeds	4/30/22	4,798	100.00	4,798
481	949PW-preheat systems	7/10/22	1,425	100.00	1,425
482	949PW, addl costs	7/17/22	689	100.00	689
483	949PW, certificate	7/17/22	5,312	100.00	5,312
484	949PW, Autopilot	6/22/22	22,868	100.00	22,868
485	949PW, addl costs	10/11/22	310	100.00	310
486	Landing Gear, 3 sets	9/18/22	50,795	100.00	50,795
487	Garage Doors	7/10/22	16,171	100.00	16,171
488	Furnace for Hangar	7/10/22	8,850	100.00	8,850
489	Laptop (Paul)	6/13/22	518	100.00	518
490	Forklift for JD Tractor (CVX)	5/12/22	1,240	100.00	1,240
491	Cylinder repair for fron end loader	5/12/22	2,135	100.00	2,135
492	repair on Loader (BI)	8/16/22	1,150	100.00	1,150
493	Fork lift (CVX)	12/08/22	12,861	100.00	12,861
Grand Total			<u>1,415,794</u>		<u>1,415,794</u>

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Electronic Filing - PDF Attachment Worksheet

Form **1120/
1120-S****2024**

For calendar year 2024 or tax year beginning , ending

Name

MCPHILLIPS FLYING SERVICE, INC.

Employer Identification Number

38-1690570

Title

Attachment Source

Proforma

AUTOMATICALLY ATTACHED TO RETURN

SECTION 199A INFORMATION WORKSHEET

SECTION199AINFORMATIONWORKSHEET.PDF

SHAREHOLDER SECTION 199A INFORMATION WORKSHEET

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Shareholder's Basis Worksheet Page 1

Form 1120-S Schedule K-1	For calendar year 2024 or tax year beginning , ending	2024
Name MCPHILLIPS FLYING SERVICE, INC. PAUL WELKE	Taxpayer Identification Number	38-1690570 -3806

Stock Basis

1. Beginning of year stock basis	0
2. Capital contributions	
Additions:	
3. Ordinary business income	
4. Net rental income	
5. Interest, dividends, royalties and net capital gains	24
6. Net Section 1231 gain	
7. Tax-exempt interest and other income	
8. Other income	
9. Gain on disposal of Section 179 assets	
Total of line 3 through line 9	24
10. Other increases	
11. Subtotal (Add line 1 through line 10)	24
Subtractions:	
12. Distributions	
13. Total losses and deductions applied against stock basis (See Shareholder's Basis Worksheet Page 3)	24
14. Other decreases	
15. Amount used to restore loan basis	
16. End of year stock basis (Subtract the sum of lines 12 through 15 from line 11)	0
Loan Basis	
17. Beginning of year loan basis	0
18. Loans to corporation	18,000
19. Loan basis restored - amount used in prior years to offset losses	
20. Other increases	
21. Loan repayments	
22. Total losses and deductions applied against loan basis (See Shareholder's Basis Worksheet Page 3)	18,000
23. Other decreases	
24. End of year loan basis (Subtract the sum of lines 21 through 23 from the sum of lines 17 through 20)	0
25. End of year stock and loan basis (Add line 16 and line 24)	0
Principal amount of loan owed to shareholder at end of the year	18,000

Gain Recognized on Excess Distributions

26. Distributions	
27. Stock basis before distributions and loss items	
28. Gain recognized on excess distributions (Subtract line 27 from line 26)	

Gain Recognized on Repayment of Shareholder Loan

29. Loan basis at beginning of tax year	
30. Loan basis restored - amount used in prior years to offset losses	
31. Loan basis before loan repayment (Add line 29 and line 30)	
32. Shareholder loan at beginning of tax year	
33. Loan repayments to shareholder during tax year	
34. Nontaxable return of loan basis ((Line 31 divided by line 32) multiplied by line 33)	
35. Gain recognized on repayment of shareholder loan (Subtract line 34 from line 33)	

Note to shareholder: This worksheet was prepared based on corporation records. Please consult with your tax advisor for adjustments.

Form 1120-S Schedule K-1	Shareholder's Basis Worksheet Page 2 For calendar year 2024 or tax year beginning _____, ending _____	2024
Name MCPHILLIPS FLYING SERVICE, INC. PAUL WELKE		Taxpayer Identification Number 38-1690570 -3806

Loss Allocated to Stock and Loan Basis

	Suspended Losses	Current Year Loss	Total Loss	Percent	Allowed Stock Loss	Disallowed Loss	Percent	Allowed Loan Loss	Loss to Carryforward	Total Allowed Loss
Nondeductible noncap expenses		526	526	100.00	24	502	100.00	502		526
Deductible items:										
Ordinary business loss	839,109	122,339	961,448	98.64		961,448	98.64	17,260	944,188	17,260
Net rental real estate loss										
Other net rental loss										
Short-term capital loss										
Long-term capital loss										
Net Section 1231 loss										
Other portfolio loss										
Loss disposal oil & gas property										
Gambling losses										
Non-portfolio capital loss										
Other losses										
Section 179 expense										
Cash contributions (60%)	10,046	3,176	13,222	1.36		13,222	1.36	238	12,984	238
Cash contributions (30%)										
Noncash contributions (50%)										
Qual conserv contrib (50%)										
Noncash contributions (30%)										
Cap gain prop 50% org (30%)										
Cap gain prop (20%)										
Qual conserv contrib (100%)										

Note to shareholder: This worksheet was prepared based on corporation records. Please consult with your tax advisor for adjustments.

Form 1120-S Schedule K-1	Shareholder's Basis Worksheet Page 3	2024
For calendar year 2024 or tax year beginning , ending		
Name MCPHILLIPS FLYING SERVICE, INC. PAUL WELKE		Taxpayer Identification Number 38-1690570 -3806

Loss Allocated to Stock and Loan Basis Continued

	Suspended Losses	Current Year Loss	Total Loss	Percent	Allowed Stock Loss	Disallowed Loss	Percent	Allowed Loan Loss	Loss to Carryforward	Total Allowed Loss
Portfolio deductions										
Investment interest expense										
Deductions-royalty income										
Section 59(e)(2) expend										
Preproductive period exp										
Reforestation expense ded										
Soil and water conservation										
Film production expenditures										
Expenditures barrier removal										
Itemized deductions										
Contributions to a CCF										
Penalty on early withdrawal										
Interest debt financed distrib										
Other deductions										
Foreign taxes										
Loss on disposal of 179 assets										
Total deductible items	849,155	125,515	974,670	100.00		974,670	100.00	17,498	957,172	17,498
Total nonded and deductible items	849,155	126,041	975,196		24	975,172		18,000	957,172	18,024

Federal Statements

Form 1120-S, Page 1, Line 12 - Taxes and Licenses

Description	Amount
SALES/USE TAX	\$ 25,066
EXCISE TAX	136,410
LICENSES/PERMITS	3,807
PROPERTY TAXES	5,040
TOTAL	\$ 170,323

Form 1120-S, Page 1, Line 13 - Interest

Description	Amount
FINANCE CHARGE EXPENSE	\$ 10,438
INTEREST EXPENSE-BANKS	134,409
TOTAL	\$ 144,847

Form 1120-S, Page 1, Line 18 - Employee Benefit Programs

Description	Amount
EMPLOYEE BENEFIT PROGRAM	\$ 9,094
TOTAL	\$ 9,094

Form 1120-S, Page 3, Schedule K, Line 4 - Interest Income

Description	Amount
BANK INTEREST	\$ 24
IRS	
TOTAL	\$ 24

Form 1120-S, Page 3, Schedule K, Line 16c - Nondeductible Expenses

Description	Amount
PAGE 1 MEALS	\$ 526
TOTAL	\$ 526

Form 1120-S, Page 4, Schedule K, Line 17a - Investment Income

Description	Amount
INTEREST INCOME	\$ 24
TOTAL	\$ 24

Federal Statements

Form 1120-S, Page 4, Schedule L, Line 2a - Trade Notes and Accounts Receivable

Description	Beginning of Year	End of Year
ACCOUNTS RECEIVABLE	\$ 141,219	\$ 133,087
VISA/MC/OTHER CC IN TRANSIT	-1,147	-5,291
TOTAL	\$ 140,072	\$ 127,796

Form 1120-S, Page 4, Schedule L, Line 3 - Inventories

Description	Beginning of Year	End of Year
INVENTORY - PARTS/LABOR	\$ 329,186	\$ 329,186
INVENTORY - FUEL & OIL	74,241	82,416
INVENTORY ASSET	-434	-666
TOTAL	\$ 402,993	\$ 410,936

Form 1120-S, Page 4, Schedule L, Line 7 - Loans to Shareholders

Description	Beginning of Year	End of Year
A/R-WELKE	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0

Form 1120-S, Page 4, Schedule L, Line 20 - Mortgages, Notes, Bonds Payable in One Year or More

Description	Beginning of Year	End of Year
N/P - CVX REFI	\$ 649,966	\$ 573,419
CVX LINE OF CREDIT	210,000	242,000
SBA LOAN	980,000	980,000
CVX - N949PW	335,205	317,376
TOTAL	\$ 2,175,171	\$ 2,112,795

Form 1120-S, Page 4, Schedule L, Line 23 - Additional Paid-In Capital

Description	Beginning of Year	End of Year
PAID-IN CAPITAL	\$ 76,969	\$ 76,969
TOTAL	\$ 76,969	\$ 76,969

Form 1120-S, Page 4, Schedule L, Line 26 - Cost of Treasury Stock

Description	Beginning of Year	End of Year
TREASURY STOCK	\$ 231,000	\$ 231,000
TOTAL	\$ 231,000	\$ 231,000

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38-1690570

Federal Statements

FYE: 12/31/2024

Form 1125-A, Line 2 Purchases

<u>Description</u>	<u>Amount</u>
PURCHASES	\$ 12,616
CHANGE IN INVENTORY	8,175
TOTAL	<u>\$ 20,791</u>

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Schedule K-1

(Form 1120-S)

Department of the Treasury

Internal Revenue Service

2024

For calendar year 2024, or tax year

beginning

ending

Shareholder's Share of Income, Deductions, Credits, etc.

See separate instructions.

Part I

Information About the Corporation

A

Corporation's employer identification number

38-1690570

B

Corporation's name, address, city, state, and ZIP code

MCPHILLIPS FLYING SERVICE, INC.

ISLAND AIRWAYS

111 AIRPORT DR.

CHARLEVOIX MI 49720

C

IRS Center where corporation filed return

E-FILE

D

Corporation's total number of shares

Beginning of tax year 1,000

End of tax year 1,000

Part II

Information About the Shareholder

E

Shareholder's identifying number

-3806

F1

Shareholder's name, address, city, state, and ZIP code

PAUL WELKE

P.O. BOX 56

BEAVER ISLAND MI 49782

F2

If the shareholder is a disregarded entity, a trust, an estate, or a nominee or similar person, enter the individual or entity responsible for reporting:

TIN

Name

F3

What type of entity is this shareholder?

G

Current year allocation percentage

100.000000 %

H

Shareholder's number of shares

Beginning of tax year 1,000

End of tax year 1,000

I

Loans from shareholder

Beginning of tax year \$ 0

End of tax year \$ 18,000

For IRS Use Only

Part III

Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1

Ordinary business income (loss)

-122,339

13

Credits

2

Net rental real estate income (loss)

3

Other net rental income (loss)

4

Interest income

24

5a

Ordinary dividends

5b

Qualified dividends

14

Schedule K-3 is attached if checked

6

Royalties

15

Alternative minimum tax (AMT) items

7

Net short-term capital gain (loss)

A

6,090

8a

Net long-term capital gain (loss)

8b

Collectibles (28%) gain (loss)

8c

Unrecaptured section 1250 gain

9

Net section 1231 gain (loss)

16

Items affecting shareholder basis

10

Other income (loss)

C*

526

11

Section 179 deduction

V*

STMT

12

Other deductions

A

3,176

AC*

STMT

17

Other information

A

24

18

More than one activity for at-risk purposes*

19

More than one activity for passive activity purposes*

* See attached statement for additional information.

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Federal Statements

FYE: 12/31/2024

Paul Welke**3806****Schedule K-1, Box 16, Code C - Nondeductible Expenses**

Description	Shareholder Amount
PAGE 1 MEALS	\$ 526
TOTAL	\$ 526

Schedule K-1, Box 17, Code AC - Gross Receipts for Section 448(c)

Description	Shareholder Amount
8990 GROSS RECEIPTS FOR 2023	2,147,617
8990 GROSS RECEIPTS FOR 2022	1,966,483
8990 GROSS RECEIPTS FOR 2021	2,275,556

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Form 1120-S Schedule K-1	Schedule K-1, Box 17, Code V Shareholder's Section 199A Information	2024
For calendar year 2024 or tax year beginning , ending		

Name MCPHILLIPS FLYING SERVICE, INC. PAUL WELKE	Taxpayer Identification Number 38-1690570 -3806
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	Activity Description	Pass-Through Entity EIN	PTP	Aggregated	SSTB
Column A	PAGE 1 ACTIVITY				
Column B					
Column C					
Column D					
Column E					

QBI or Qualified PTP items:	Column A	Column B	Column C	Column D	Column E
Ordinary business income (loss)	-122,339				
Net rental real estate income (loss)					
Other net rental income (loss)					
Royalty income (loss)					
Section 1231 gain (loss)					
Other income (loss)					
Section 179 deduction					
Other deductions					
W-2 wages	905,219				
Qualified property	1,415,794				
Other Information:					
QBI allocable to cooperative prmts received					
W-2 wages allocable to qualified payments					
Section 199A(g) deduction					
Section 199A REIT dividends					

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Shareholder's Basis Worksheet Page 1

Form **1120-S****2024****Schedule K-1**

For calendar year 2024 or tax year beginning

, ending

Name **MCPHILLIPS FLYING SERVICE, INC.**
PAUL WELKE

Taxpayer Identification Number

38-1690570
-3806

Stock Basis

1. Beginning of year stock basis	0
2. Capital contributions	
Additions:	
3. Ordinary business income	
4. Net rental income	
5. Interest, dividends, royalties and net capital gains	24
6. Net Section 1231 gain	
7. Tax-exempt interest and other income	
8. Other income	
9. Gain on disposal of Section 179 assets	
Total of line 3 through line 9	24
10. Other increases	
11. Subtotal (Add line 1 through line 10)	24
Subtractions:	
12. Distributions	
13. Total losses and deductions applied against stock basis (See Shareholder's Basis Worksheet Page 3)	24
14. Other decreases	
15. Amount used to restore loan basis	
16. End of year stock basis (Subtract the sum of lines 12 through 15 from line 11)	0
Loan Basis	
17. Beginning of year loan basis	0
18. Loans to corporation	18,000
19. Loan basis restored - amount used in prior years to offset losses	
20. Other increases	
21. Loan repayments	
22. Total losses and deductions applied against loan basis (See Shareholder's Basis Worksheet Page 3)	18,000
23. Other decreases	
24. End of year loan basis (Subtract the sum of lines 21 through 23 from the sum of lines 17 through 20)	0
25. End of year stock and loan basis (Add line 16 and line 24)	0
Principal amount of loan owed to shareholder at end of the year	18,000

Gain Recognized on Excess Distributions

26. Distributions	
27. Stock basis before distributions and loss items	
28. Gain recognized on excess distributions (Subtract line 27 from line 26)	

Gain Recognized on Repayment of Shareholder Loan

29. Loan basis at beginning of tax year	
30. Loan basis restored - amount used in prior years to offset losses	
31. Loan basis before loan repayment (Add line 29 and line 30)	
32. Shareholder loan at beginning of tax year	
33. Loan repayments to shareholder during tax year	
34. Nontaxable return of loan basis ((Line 31 divided by line 32) multiplied by line 33)	
35. Gain recognized on repayment of shareholder loan (Subtract line 34 from line 33)	

Note to shareholder: This worksheet was prepared based on corporation records. Please consult with your tax advisor for adjustments.

Form 1120-S Schedule K-1	Shareholder's Basis Worksheet Page 2 For calendar year 2024 or tax year beginning _____, ending _____	2024
Name MCPHILLIPS FLYING SERVICE, INC. PAUL WELKE		Taxpayer Identification Number 38-1690570 -3806

Loss Allocated to Stock and Loan Basis

	Suspended Losses	Current Year Loss	Total Loss	Percent	Allowed Stock Loss	Disallowed Loss	Percent	Allowed Loan Loss	Loss to Carryforward	Total Allowed Loss
Nondeductible noncap expenses		526	526	100.00	24	502	100.00	502		526
Deductible items:										
Ordinary business loss	839,109	122,339	961,448	98.64		961,448	98.64	17,260	944,188	17,260
Net rental real estate loss										
Other net rental loss										
Short-term capital loss										
Long-term capital loss										
Net Section 1231 loss										
Other portfolio loss										
Loss disposal oil & gas property										
Gambling losses										
Non-portfolio capital loss										
Other losses										
Section 179 expense										
Cash contributions (60%)	10,046	3,176	13,222	1.36		13,222	1.36	238	12,984	238
Cash contributions (30%)										
Noncash contributions (50%)										
Qual conserv contrib (50%)										
Noncash contributions (30%)										
Cap gain prop 50% org (30%)										
Cap gain prop (20%)										
Qual conserv contrib (100%)										

Note to shareholder: This worksheet was prepared based on corporation records. Please consult with your tax advisor for adjustments.

Form 1120-S Schedule K-1	Shareholder's Basis Worksheet Page 3	2024
For calendar year 2024 or tax year beginning , ending		
Name MCPHILLIPS FLYING SERVICE, INC. PAUL WELKE		Taxpayer Identification Number 38-1690570 3806

Loss Allocated to Stock and Loan Basis Continued

	Suspended Losses	Current Year Loss	Total Loss	Percent	Allowed Stock Loss	Disallowed Loss	Percent	Allowed Loan Loss	Loss to Carryforward	Total Allowed Loss
Portfolio deductions										
Investment interest expense										
Deductions-royalty income										
Section 59(e)(2) expend										
Preproductive period exp										
Reforestation expense ded										
Soil and water conservation										
Film production expenditures										
Expenditures barrier removal										
Itemized deductions										
Contributions to a CCF										
Penalty on early withdrawal										
Interest debt financed distrib										
Other deductions										
Foreign taxes										
Loss on disposal of 179 assets										
Total deductible items	849,155	125,515	974,670	100.00		974,670	100.00	17,498	957,172	17,498
Total nonded and deductible items	849,155	126,041	975,196		24	975,172		18,000	957,172	18,024